

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIFTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: July 11, 2005

Responsible: Stephen H. Bryant, President

DTE-5-7 Refer to Exh. BSG/SHB-4. Are the factors that are used in the three-factor and two-factor equations (e.g., gross utility plant less goodwill) updated each year?

Response: Yes. The factors for the three- and two-factor equations are updated each year.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
EIGHTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: July 11, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards

DTE-8-9 Refer to Exh. BSG/SAB-1, at 48, Table SAB-1. PBOP expense was \$3,317,000 in 2002 (\$3,968,000 minus \$651,000), \$3,478,000 in 2003 (\$7,348,000 minus \$3,870,000) and \$3,327,000 in 2004 (\$7,159,000 minus \$3,832,000). Pension expense in 2003 amounted to \$3,870,000 in 2003 and \$3,832,000 in 2004. Please comment on the feasibility of continuing to recover these costs through base rates, given the relative stability in these expenses during the past two or three years.

Response: Table SAB-1 shows that selected shorter-term views of the expense data are not necessarily indicative of future results. For example, had the information request described the pension expense for other two-year periods such as 2001 and 2002, or 2002 and 2003, as opposed to 2003 and 2004, the conclusion drawn regarding the relative stability could be much different. A similar case could be built for the instability of PBOP expense for three-year periods such as 2000 to 2002 in contrast to the apparently stable period of 2002 to 2004.

The accounting pronouncements governing the development of annual expense amounts pursuant to SFAS Nos. 87 and 106 provide some stability to the financial results for pension and PBOP by allowing for the amortization, within tolerances, of certain items as opposed to immediate income statement recognition. However, as is illustrated in Table SAB-1, the variation in asset returns and key actuarial assumptions such as the discount rate can cause expense to vary greatly from period to period in a manner that is beyond the Company's control. The Company continues to evaluate the relationship between historic volatility of the pension and PBOP expenses, and the recovery of those amounts through the LDAC as opposed to base rates is prudent.

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RESPONSE OF BAY STATE GAS COMPANY TO THE
EIGHTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: July 11, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards

DTE-8-11 Refer to Exh. BSG/SAB-1, at 50. Please provide the prepaid pension and
PBOP balances as of December 31, 2003 and 2004.

Response: Please refer to the Company's response to DTE 8-8.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: July 11, 2005

Responsible: Stephen H. Bryant, President

DTE-9-23 Please describe with supporting documentation all measures taken by the Company from 1992 to the present to minimize the annual levels of its net write-offs from gas revenues and from EP&S revenues.

Response: Over the past 13 years the Company has consistently pursued policies for granting service and collecting amounts owed for delivering service that were consistent with the Department's regulations related to application for service, collection of past due amounts and termination of service for failure to pay, as well as adhering to all other laws and regulations related to the collection of debts owed. The Company has worked within these regulations to minimize the amount of write –offs from both gas accounts and from EP&S. Controlling write-offs has been a key element in the Company's successful efforts to avoid filing for a general rate increase for 13 years. (The Company did reach a settlement in the late 1990s that resulted in an increase in base rate revenues of approximately \$3.4 million.)

One key element in avoiding write-offs is to avoid the initial fraudulent application for service. The use of Equifax PosID provides the Company with greater assurance that the applicant for service is, in fact, providing accurate information that will be useful, if necessary, in pursuing collection on amounts owed to the Company. The Company has also increased its emphasis of collecting as much information as is reasonable from customers applying for service that will, if necessary, prove useful if future collection activity is required.

Another key element of the Company's efforts to minimize write-offs is its efforts to provide effective training for its call center representatives. These training efforts are further enhanced by the on-line availability of a host of information related to credit and collection policies and regulations. Please see the Company's response to AG-22-13 for policies and procedures related to credit and collection.

The Company has also expanded the options available to customers to make payments. The ability to make payments on line, expanded interactive voice response systems and pay-by-check are other enhancements that make payments more convenient.

Please see the Company's response to DTE-18-02 for additional discussion of enhancements to the Company's credit and collection practices.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
ELEVENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: July 11, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards

DTE-11-35 Please provide a five-year history of employee promotions, market-based adjustments and changes in job responsibility along with the corresponding salary adjustment for each.

Response: Attachment DTE-11-35 provides a summary of employee promotions and other job-related pay changes for 2001 through 2004.

		Year				
Descr	Data	2001	2002	2003	2004	Grand Total
Adjustment	Count of Name		9	13	14	36
	Sum of Chng Amt		\$12,695	\$9,481	\$26,496	\$48,672
Dept Change	Count of Name		3			3
	Sum of Chng Amt		(\$5,595)			(\$5,595)
Dept/Job Change	Count of Name		17	5	15	37
	Sum of Chng Amt		(\$19,455)	\$13,811	\$16,067	\$10,423
Dept/Location/Job Change	Count of Name				1	1
	Sum of Chng Amt				\$183	\$183
Job	Count of Name		1	12	13	26
	Sum of Chng Amt		\$6,760	\$36,583	\$52,850	\$96,193
Job Family Promotion	Count of Name			1	8	9
	Sum of Chng Amt			\$2,933	\$48,984	\$51,917
Job Reclass or Temp Promotion	Count of Name			1		1
	Sum of Chng Amt			\$1,664		\$1,664
Job Reclassification	Count of Name	2	6	1	2	11
	Sum of Chng Amt	\$6,074	\$8,840	(\$6,412)	(\$62)	\$8,439
Job/Dept Change	Count of Name			3	8	11
	Sum of Chng Amt			\$4,139	\$25,488	\$29,627
Job/Dept/Loc Change	Count of Name			1	1	2
	Sum of Chng Amt			\$6,473	\$4,752	\$11,225
Lateral Job Change	Count of Name		7		1	8
	Sum of Chng Amt		\$31,907		\$1,200	\$33,107
Location Change	Count of Name	1				1
	Sum of Chng Amt	\$4,222				\$4,222
Promotion	Count of Name	4	18			22
	Sum of Chng Amt	\$12,570	\$88,516			\$101,086
Recall-Regular	Count of Name		1	1		2
	Sum of Chng Amt		\$2,787	\$14,082		\$16,869
Reclassification	Count of Name			1	1	2
	Sum of Chng Amt			\$5,574	\$437	\$6,011
Reorganization	Count of Name		7			7
	Sum of Chng Amt		\$37,502			\$37,502
Request Return to Former Job	Count of Name				1	1
	Sum of Chng Amt				(\$5,429)	(\$5,429)
Return to Regular Job	Count of Name			1		1
	Sum of Chng Amt			(\$4,514)		(\$4,514)
Status Change	Count of Name	1	3			4
	Sum of Chng Amt	\$8,112	\$5,970			\$14,082
Step Progression	Count of Name	37	99	37	103	276
	Sum of Chng Amt	\$86,268	\$234,270	\$69,956	\$246,921	\$637,416
Successful Bidder	Count of Name	2	5	10	35	52
	Sum of Chng Amt	\$1,789	(\$1,851)	\$17,493	\$64,272	\$81,702
Title/Job Change	Count of Name	1	9			10
	Sum of Chng Amt	\$2,895	\$26,333			\$29,228
Transfer	Count of Name		1	1		2
	Sum of Chng Amt		\$2,850	\$2,954		\$5,803
Transfer to Affiliate	Count of Name		1	2	1	4
	Sum of Chng Amt		\$12,022	\$6,219	\$2,321	\$20,563
Vol Demotion Job	Count of Name				1	1
	Sum of Chng Amt				(\$5,429)	(\$5,429)
Vol Job/Dept Change	Count of Name				1	1
	Sum of Chng Amt				(\$2,683)	(\$2,683)
Vol Job/Dept/Loc Change	Count of Name				1	1
	Sum of Chng Amt				(\$8,112)	(\$8,112)
Total Count of Name		48	187	90	207	532
Total Sum of Chng Amt		\$121,930	\$443,551	\$180,436	\$468,254	\$1,214,172

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RESPONSE OF BAY STATE GAS COMPANY TO THE
ELEVENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: July 11, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards

DTE-11-36 Please provide the required employee contribution level by percent and dollars for each of the health care and dental care options offered by the Company for both union and non-union employees for 2003, 2004 and 2005.

Response: Attachment DTE-11-36 (a) includes data for health care for 2003.
Attachment DTE-11-36 (b) includes data for health care for 2004.
Attachment DTE-11-36 (c) includes data for health care for 2005.
Attachment DTE-11-36 (d) includes data for dental care for 2003.
Attachment DTE-11-36 (e) includes data for dental care for 2004.
Attachment DTE-11-36 (f) includes data for dental care for 2005.

2003 Health Care Rates

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
1	2	3	4	5	6	7	8	9
10	11	12	13	14	15	16	17	18
19	20	21	22	23	24	25	26	27
28	29	30	31	32	33	34	35	36
37	38	39	40	41	42	43	44	45
46	47	48	49	50	51	52	53	54
55	56	57	58	59	60	61	62	63
64	65	66	67	68	69	70	71	72
73	74	75	76	77	78	79	80	81
82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99
100	101	102	103	104	105	106	107	108
109	110	111	112	113	114	115	116	117
118	119	120	121	122	123	124	125	126
127	128	129	130	131	132	133	134	135
136	137	138	139	140	141	142	143	144
145	146	147	148	149	150	151	152	153
154	155	156	157	158	159	160	161	162
163	164	165	166	167	168	169	170	171
172	173	174	175	176	177	178	179	180
181	182	183	184	185	186	187	188	189
190	191	192	193	194	195	196	197	198
199	200	201	202	203	204	205	206	207
208	209	210	211	212	213	214	215	216
217	218	219	220	221	222	223	224	225
226	227	228	229	230	231	232	233	234
235	236	237	238	239	240	241	242	243
244	245	246	247	248	249	250	251	252
253	254	255	256	257	258	259	260	261
262	263	264	265	266	267	268	269	270
271	272	273	274	275	276	277	278	279
280	281	282	283	284	285	286	287	288
289	290	291	292	293	294	295	296	297
298	299	300	301	302	303	304	305	306
307	308	309	310	311	312	313	314	315
316	317	318	319	320	321	322	323	324
325	326	327	328	329	330	331	332	333
334	335	336	337	338	339	340	341	342
343	344	345	346	347	348	349	350	351
352	353	354	355	356	357	358	359	360
361	362	363	364	365	366	367	368	369
370	371	372	373	374	375	376	377	378
379	380	381	382	383	384	385	386	387
388	389	390	391	392	393	394	395	396
397	398	399	400	401	402	403	404	405
406	407	408	409	410	411	412	413	414
415	416	417	418	419	420	421	42	

Non-Union Group

Union Group

line	Type of Plan	Enrolled Employees	Employer Portion	Employee Portion	Employee Percent	Enrolled Employees	Employer Portion	Employee Portion	Employee Percent
1									
2	BCBS Master Medical (IND)								
3	EE		\$5,410	\$1,353	20%	X	\$5,410	\$1,353	20%
4	EE+1		\$10,826	\$2,706	20%	X	\$10,826	\$2,706	20%
5	Family		\$14,608	\$3,652	20%	X	\$14,608	\$3,652	20%
6									
7	Havard Pilgram HMO								
8	EE		\$3,399	\$850	20%	X	\$3,399	\$850	20%
9	EE+1		\$6,797	\$1,699	20%	X	\$6,797	\$1,699	20%
10	Family		\$9,176	\$2,294	20%	X	\$9,176	\$2,294	20%
11									
12	HMO Blue (BCBS-MA)								
13	EE		\$3,756	\$939	20%	X	\$3,756	\$939	20%
14	EE+1		\$7,512	\$1,878	20%	X	\$7,512	\$1,878	20%
15	Family		\$845	\$2,535	75%	X	\$845	\$2,535	75%
16									
17	UHC POS								
18	EE		\$5,080	\$1,270	20%		\$5,080	\$1,270	20%
19	EE+1		\$10,160	\$2,540	20%		\$10,160	\$2,540	20%
20	Family		\$13,716	\$3,429	20%	X	\$13,716	\$3,429	20%
21									
22	United OOA								
23	EE		\$7,102	\$1,776	20%		\$7,102	\$1,776	20%
24	EE+1		\$14,204	\$3,551	20%		\$14,204	\$3,551	20%
25	Family		\$19,175	\$4,794	20%		\$19,175	\$4,794	20%
26									
27	Tufts HMO (Union)								
28	EE	X	\$3,221	\$805	20%	X	\$5,896	\$805	12%
29	EE+Spouse	X	\$6,441	\$1,610	20%	X	\$11,792	\$1,610	12%
30	Family	X	\$8,696	\$2,174	20%	X	\$18,277	\$2,174	11%
31									
32	Anthem BCBS NH/ME HMO (Union)								
33	EE		\$3,661	\$915	20%	X	\$3,661	\$915	20%
34	EE+Spouse		\$7,322	\$1,830	20%	X	\$7,322	\$1,830	20%
35	Family		\$9,885	\$2,471	20%	X	\$9,885	\$2,471	20%
36									
37	Health New England HMO								
38	EE		\$3,208	\$802	20%	X	\$3,208	\$802	20%
39	EE+Spouse		\$6,417	\$1,604	20%	X	\$6,417	\$1,604	20%
40	Family		\$8,663	\$2,166	20%	X	\$8,663	\$2,166	20%
41									
42	BCBS Blue Choice (POS)								
43	EE		\$3,082	\$771	20%	X	\$3,082	\$771	20%
44	EE+Spouse		\$6,164	\$1,541	20%	X	\$6,164	\$1,541	20%
45	Family		\$8,322	\$2,081	20%	X	\$8,322	\$2,081	20%
46									
47	PPO								
48	EE		\$3,492	\$386	10%		\$3,492	\$386	10%
49	EE+Spouse		\$6,984	\$749	10%		\$6,984	\$749	10%
50	Family		\$10,825	\$1,332	11%		\$10,825	\$1,332	11%
51									
52	Standard Plan 1								
53	EE		\$3,398	\$0	0%	X	\$3,398	\$0	0%
54	EE+Spouse		\$6,797	\$0	0%		\$6,797	\$0	0%
55	Family		\$10,535	\$0	0%		\$10,535	\$0	0%
56									
57	Standard Plan 2								
58	EE	X	\$3,177	\$0	0%	X	\$3,177	\$0	0%
59	EE+Spouse		\$6,354	\$0	0%		\$6,354	\$0	0%
60	Family	X	\$9,849	\$0	0%		\$9,849	\$0	0%

62 Lines 1-45 are fully insured plans, lines 47-66 are self insured plans

2004 Health Care Rates

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
		<u>Non-Union Group</u>				<u>Union Group</u>			
line	Type of Plan	Enrolled Employees	Employer Portion	Employee Portion	Employee Percent	Enrolled Employees	Employer Portion	Employee Portion	Employee Percent
2	BCBS Master Medical (IND)								
3	EE		\$6,127	\$1,532	20%	X	\$6,127	\$1,532	20%
4	EE+Spouse		\$13,347	\$3,337	20%	X	\$13,347	\$3,337	20%
5	EE+Child(ren)		\$13,347	\$3,337	20%	X	\$13,347	\$3,337	20%
6	Family		\$16,543	\$4,136	20%	X	\$16,543	\$4,136	20%
7									
8	Havard Pilgram HMO								
9	EE		\$3,955	\$989	20%	X	\$3,955	\$989	20%
10	EE+Spouse		\$7,910	\$1,977	20%	X	\$7,910	\$1,977	20%
11	EE+Child(ren)		\$7,910	\$1,977	20%	X	\$7,910	\$1,977	20%
12	Family		\$10,678	\$2,670	20%	X	\$10,678	\$2,670	20%
13									
14	HMO Blue (BCBS-MA)								
15	EE		\$4,161	\$1,040	20%	X	\$4,161	\$1,040	20%
16	EE+Spouse		\$8,323	\$2,081	20%	X	\$8,323	\$2,081	20%
17	EE+Child(ren)		\$8,323	\$2,081	20%	X	\$8,323	\$2,081	20%
18	Family		\$11,236	\$2,809	20%	X	\$11,236	\$2,809	20%
19									
20	UHC POS								
21	EE		\$5,842	\$1,461	20%	X	\$5,842	\$1,461	20%
22	EE+Spouse		\$11,684	\$2,921	20%	X	\$11,684	\$2,921	20%
23	EE+Child(ren)		\$11,684	\$2,921	20%	X	\$11,684	\$2,921	20%
24	Family		\$15,773	\$3,943	20%	X	\$15,773	\$3,943	20%
25									
26	United OOA								
27	EE		\$8,167	\$2,042	20%		\$8,167	\$2,042	20%
28	EE+Spouse		\$16,334	\$4,084	20%		\$16,334	\$4,084	20%
29	EE+Child(ren)		\$16,334	\$4,084	20%		\$16,334	\$4,084	20%
30	Family		\$22,051	\$5,513	20%	X	\$22,051	\$5,513	20%
31									
32	Tufts HMO (Union)								
33	EE	X	\$4,192	\$1,053	20%	X	\$4,192	\$1,053	20%
34	EE+Spouse	X	\$8,345	\$2,097	20%	X	\$8,345	\$2,097	20%
35	EE+Child(ren)	X	\$8,345	\$2,097	20%	X	\$8,345	\$2,097	20%
36	Family	X	\$11,252	\$2,827	20%	X	\$11,252	\$2,827	20%
37									
38	Anthem BCBS NH/ME HMO (Union)								
39	EE		\$3,959	\$990	20%		\$3,959	\$990	20%
40	EE+Spouse	X	\$7,880	\$1,970	20%	X	\$7,880	\$1,970	20%
41	EE+Child(ren)		\$7,880	\$1,970	20%		\$7,880	\$1,970	20%
42	Family		\$10,625	\$2,656	20%	X	\$10,625	\$2,656	20%
43									
44	Health New England HMO								
45	EE	X	\$3,312	\$828	20%	X	\$3,312	\$828	20%
46	EE+Spouse		\$6,624	\$1,656	20%	X	\$6,624	\$1,656	20%
47	EE+Child(ren)		\$6,624	\$1,656	20%	X	\$6,624	\$1,656	20%
48	Family		\$10,268	\$2,567	20%	X	\$10,268	\$2,567	20%
49									
50	BCBS Blue Choice (POS)*								
51	EE		\$3,415	\$854	20%	X	\$3,415	\$854	20%
52	EE+Spouse		\$6,830	\$1,708	20%	X	\$6,830	\$1,708	20%
53	EE+Child(ren)		\$6,830	\$1,708	20%	X	\$6,830	\$1,708	20%
54	Family		\$9,221	\$2,305	20%	X	\$9,221	\$2,305	20%
55	*Plan will not be offered in 2005. Rates are shown at 2004 rates trended at 14%.								
56	PPO								
57	EE	X	\$3,113	\$549	15%	X	\$3,113	\$549	15%
58	EE+Spouse	X	\$6,226	\$1,099	15%		\$6,226	\$1,099	15%
59	EE+Child(ren)		\$5,915	\$1,044	15%		\$5,915	\$1,044	15%
60	Family	X	\$9,650	\$1,703	15%		\$9,650	\$1,703	15%
61									
62	Standard Plan 1								
63	EE	X	\$3,024	\$756	20%		\$3,024	\$756	20%
64	EE+Spouse		\$6,048	\$1,512	20%		\$6,048	\$1,512	20%
65	EE+Child(ren)		\$5,745	\$1,436	20%		\$5,745	\$1,436	20%
66	Family		\$9,374	\$2,343	20%		\$9,374	\$2,343	20%
67									
68	Standard Plan 2								
69	EE	X	\$2,815	\$405	13%		\$2,815	\$405	13%
70	EE+Spouse		\$5,629	\$811	13%		\$5,629	\$811	13%
71	EE+Child(ren)	X	\$5,348	\$770	13%		\$5,348	\$770	13%
72	Family		\$8,726	\$1,257	13%		\$8,726	\$1,257	13%

74 Lines 1-55 are fully insured plans, lines 56-72 are self insured plans

2005 Health Care Rates

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
	<u>Non-Union Group</u>					<u>Union Group</u>			
line	Type of Plan	Enrolled Employees	Employer Portion	Employee Portion	Employee Percent	Enrolled Employees	Employer Portion	Employee Portion	Employee Percent
1									
2	<u>BCBS Master Medical (IND)</u>								
3	EE		\$7,054	\$1,763	20%	X	\$7,054	\$1,763	20%
4	EE+Spouse		\$14,107	\$3,527	20%	X	\$14,107	\$3,527	20%
5	EE+Child(ren)		\$13,402	\$3,350	20%		\$13,402	\$3,350	20%
6	Family		\$22,000	\$5,500	20%	X	\$22,000	\$5,500	20%
7									
8	<u>Havard Pilgram HMO</u>								
9	EE		\$4,465	\$1,116	20%	X	\$4,465	\$1,116	20%
10	EE+Spouse		\$8,930	\$2,232	20%	X	\$8,930	\$2,232	20%
11	EE+Child(ren)		\$8,483	\$2,121	20%	X	\$8,483	\$2,121	20%
12	Family		\$12,279	\$3,070	20%	X	\$12,279	\$3,070	20%
13									
14	<u>HMO Blue (BCBS-MA)</u>								
15	EE		\$4,919	\$1,230	20%	X	\$4,919	\$1,230	20%
16	EE+Spouse		\$9,838	\$2,459	20%	X	\$9,838	\$2,459	20%
17	EE+Child(ren)		\$9,346	\$2,336	20%	X	\$9,346	\$2,336	20%
18	Family		\$14,180	\$3,545	20%	X	\$14,180	\$3,545	20%
19									
20	<u>UHC POS</u>								
21	EE		\$5,834	\$1,461	20%	X	\$5,834	\$1,461	20%
22	EE+Spouse		\$11,901	\$2,975	20%		\$11,901	\$2,975	20%
23	EE+Child(ren)		\$9,684	\$2,921	23%		\$9,684	\$2,921	23%
24	Family		\$16,917	\$4,229	20%	X	\$16,917	\$4,229	20%
25									
26	<u>United OOA</u>								
27	EE		\$8,175	\$2,044	20%		\$8,175	\$2,044	20%
28	EE+Spouse		\$16,677	\$4,169	20%		\$16,677	\$4,169	20%
29	EE+Child(ren)		\$13,571	\$4,084	23%		\$13,571	\$4,084	23%
30	Family		\$23,708	\$5,927	20%	X	\$23,708	\$5,927	20%
31									
32	<u>Tufts HMO (Union)</u>								
33	EE	X	\$4,717	\$909	16%	X	\$4,717	\$1,179	20%
34	EE+Spouse	X	\$9,434	\$1,809	16%	X	\$9,434	\$2,358	20%
35	EE+Child(ren)	X	\$8,962	\$1,719	16%	X	\$8,962	\$2,240	20%
36	Family	X	\$14,622	\$2,799	16%	X	\$14,622	\$3,655	20%

[1] [2] [3] [4] [5] [6] [7] [8] [9]

Non-Union Group

Union Group

line	Type of Plan	Enrolled Employees	Employer Portion	Employee Portion	Employee Percent	Enrolled Employees	Employer Portion	Employee Portion	Employee Percent
37									
38	<u>Anthem BCBS NH/ME HMO (Union)</u>								
39	EE		\$4,348	\$1,087	20%		\$4,348	\$1,087	20%
40	EE+Spouse	X	\$8,695	\$2,174	20%	X	\$8,695	\$2,174	20%
41	EE+Child(ren)		\$8,260	\$2,065	20%		\$8,260	\$2,065	20%
42	Family	X	\$13,477	\$3,369	20%	X	\$13,477	\$3,369	20%
43									
44	<u>Health New England HMO</u>								
45	EE		\$3,688	\$922	20%	X	\$3,688	\$922	20%
46	EE+Spouse		\$7,375	\$1,844	20%	X	\$7,375	\$1,844	20%
47	EE+Child(ren)		\$7,008	\$1,752	20%	X	\$7,008	\$1,752	20%
48	Family		\$11,433	\$2,858	20%	X	\$11,433	\$2,858	20%
49									
50	<u>BCBS Blue Choice (POS)*</u>								
51	EE		\$3,893	\$0	0%		\$3,893	\$0	0%
52	EE+Spouse		\$7,786	\$0	0%		\$7,786	\$0	0%
53	EE+Child(ren)		\$7,786	\$0	0%		\$7,786	\$0	0%
54	Family		\$10,512	\$0	0%		\$10,512	\$0	0%
55	*Plan will not be offered in 2005. Rates are shown at 2004 rates trended at 14%.								
56	<u>PPO</u>								
57	EE	X	\$3,492	\$822	19%	X	\$3,492	\$822	19%
58	EE+Spouse	X	\$6,984	\$1,643	19%	X	\$6,984	\$1,643	19%
59	EE+Child(ren)		\$6,635	\$1,561	19%	X	\$6,635	\$1,561	19%
60	Family	X	\$10,825	\$2,547	19%	X	\$10,825	\$2,547	19%
61									
62	<u>Standard Plan 1</u>								
63	EE	X	\$3,398	\$1,062	24%	X	\$3,398	\$1,062	24%
64	EE+Spouse		\$6,797	\$2,124	24%		\$6,797	\$2,124	24%
65	EE+Child(ren)		\$6,457	\$2,018	24%		\$6,457	\$2,018	24%
66	Family		\$10,535	\$3,292	24%		\$10,535	\$3,292	24%
67									
68	<u>Standard Plan 2</u>								
69	EE	X	\$3,177	\$685	18%	X	\$3,177	\$685	18%
70	EE+Spouse		\$6,354	\$1,370	18%	X	\$6,354	\$1,370	18%
71	EE+Child(ren)		\$6,037	\$1,301	18%	X	\$6,037	\$1,301	18%
72	Family		\$9,849	\$2,123	18%	X	\$9,849	\$2,123	18%

73

74 Lines 1-55 are fully insured plans, lines 56-72 are self insured plans

2003 Dental Care Rates

[1] [2] [3] [4] [5] [6] [7] [8] [9]

Non-Union Group

Union Group

line	Type of Plan	Enrolled Employees	Employer Portion	Employee Portion	Employee Percent	Enrolled Employees	Employer Portion	Employee Portion	Employee Percent
1									
2	<u>BCBS Dental</u>								
3	EE		\$308	\$0	0%	X	\$308	\$62	17%
4	EE+Spouse		\$614	\$0	0%	X	\$614	\$123	17%
5	Family		\$922	\$0	0%	X	\$922	\$184	17%
6									
7	<u>Basic Dental</u>								
8	EE	X	\$235	\$0	0%	X	\$235	\$0	0%
9	EE+Spouse	X	\$533	\$0	0%	X	\$533	\$0	0%
10	Family	X	\$809	\$0	0%	X	\$809	\$0	0%
11									
12	<u>Dental Plus</u>								
13	EE		\$250	\$58	19%	X	\$250	\$58	19%
14	EE+Spouse	X	\$539	\$101	16%	X	\$539	\$101	16%
15	Family	X	\$817	\$143	15%	X	\$817	\$143	15%

16
17 Lines 1-6 are fully insured plans, lines 7-18 are self insured plans

2004 Dental Care Rates

[1] [2] [3] [4] [5] [6] [7] [8] [9]

Non-Union Group

Union Group

line	Type of Plan	Enrolled Employees	Employer Portion	Employee Portion	Employee Percent	Enrolled Employees	Employer Portion	Employee Portion	Employee Percent
1									
2	<u>BCBS Dental</u>								
3	EE	X	\$320	\$64	17%	X	\$320	\$64	17%
4	EE+Spouse		\$639	\$128	17%	X	\$639	\$128	17%
5	EE+Child(ren)		\$639	\$128	17%	X	\$639	\$128	17%
6	Family		\$959	\$192	17%	X	\$959	\$192	17%
7									
8	<u>Basic Dental</u>								
9	EE	X	\$336	\$0	0%	X	\$336	\$0	0%
10	EE+Spouse	X	\$672	\$0	0%		\$672	\$0	0%
11	EE+Child(ren)	X	\$639	\$0	0%		\$639	\$0	0%
12	Family	X	\$1,042	\$0	0%		\$1,042	\$0	0%
13									
14	<u>Dental Plus</u>								
15	EE	X	\$332	\$58	15%		\$332	\$58	15%
16	EE+Spouse	X	\$663	\$117	15%	X	\$663	\$117	15%
17	EE+Child(ren)	X	\$630	\$111	15%		\$630	\$111	15%
18	Family	X	\$1,028	\$181	15%	X	\$1,028	\$181	15%
19									

20 Lines 1-6 are fully insured plans, lines 7-18 are self insured plans

2005 Dental Care Rates

[1] [2] [3] [4] [5] [6] [7] [8] [9]

Non-Union Group

Union Group

line	Type of Plan	Enrolled Employees	Employer Portion	Employee Portion	Employee Percent	Enrolled Employees	Employer Portion	Employee Portion	Employee Percent
1									
2	<u>BCBS Dental</u>								
3	EE		\$388	\$78	17%	X	\$388	\$78	17%
4	EE+Spouse		\$775	\$155	17%	X	\$775	\$155	17%
5	EE+Child(ren)		\$737	\$147	17%	X	\$737	\$147	17%
6	Family		\$1,166	\$233	17%	X	\$1,166	\$233	17%
7									
8	<u>Basic Dental</u>								
9	EE	X	\$362	\$72	17%	X	\$362	\$72	17%
10	EE+Spouse	X	\$724	\$145	17%	X	\$724	\$145	17%
11	EE+Child(ren)	X	\$688	\$138	17%	X	\$688	\$138	17%
12	Family	X	\$1,122	\$224	17%	X	\$1,122	\$224	17%
13									
14	<u>Dental Plus</u>								
15	EE	X	\$357	\$130	27%	X	\$357	\$130	27%
16	EE+Spouse	X	\$714	\$261	27%	X	\$714	\$261	27%
17	EE+Child(ren)	X	\$678	\$248	27%	X	\$678	\$248	27%
18	Family	X	\$1,107	\$404	27%	X	\$1,107	\$404	27%

19
20 Lines 1-6 are fully insured plans, lines 7-18 are self insured plans

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
EIGHTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: July 11, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards

DTE-18-13 Refer to Exh. BSG/SAB-1 at 43, line 17-18. Provide complete and detailed information regarding the estimated 20.3 percent increase in the Company's dental coverage obligation.

Response: The percentage increase between 2004 and 2005 was comprised of the overall inflation in the plans of approximately 16 percentage points and the remainder was due to slightly higher enrollment of approximately 20 employees. Although a significant number of employees chose to move from the traditional dental plan, which experienced a 22 percent increase in cost on a per capita basis, to the basic dental and the dental plus plans, the per capita cost of the newer plans was only slightly less than the traditional plan due to more favorable plan benefits.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FOURTH SET OF INFORMATION REQUESTS FROM THE MASS OIL HEAT
COUNCIL
D. T. E. 05-27

Date: July 11, 2005

Responsible: Stephen H. Bryant, President

MOC-4-2 At page 58 of his testimony (BSG/SHB-1), Mr. Bryant gives the total test year expenses and revenues for the EP&S division service businesses. Please provide a breakout of the expenses and revenues for each of the five EP&S service businesses.

Response: Attachment MOC-04-02 provides a breakout into three major categories of businesses:

HVAC Non-Utility: Boiler / furnace / water heater sales and installations

HVAC Utility: Guardian Care, fee-for-service and inspections

Leasing Products: Water heater and conversion burner rentals

The Company is unable to readily allocate any indirect costs to product lines within these three major categories.

Bay State Gas Company
Allocation of Costs to Product Lines
2004

	HVAC Installs Non-utility	HVAC Utility	Leasing Products	Mass Total
Revenue	\$ 2,763.0	\$ 7,702.7	\$ 6,824.4	\$ 17,290.1
Labor and Parts Cost	\$ 1,356.4	\$ 2,925.6	\$ 275.3	\$ 4,557.3
Lease and Depreciation	0.00	0.00	1,450.40	1,450.40
Advertising	37.18	175.35	8.68	221.21
Billing Expense	0.22	42.77	85.44	128.42
Bad Debt	(44.10)	86.70	326.00	368.60
Corporate Services	47.55	333.18	37.87	418.60
Central Supv/Admin	25.33	177.51	20.17	223.02
Direct Fringes	175.84	1,115.00	112.36	1,403.19
Overheads	330.67	2,230.78	255.89	2,817.34
Total Expenses	<u>\$ 1,929.1</u>	<u>\$ 7,086.9</u>	<u>\$ 2,572.1</u>	<u>\$ 11,588.1</u>
EBIT	<u>\$ 833.9</u>	<u>\$ 615.8</u>	<u>\$ 4,252.3</u>	<u>\$ 5,702.0</u>

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FOURTH SET OF INFORMATION REQUESTS FROM THE MASS OIL HEAT
COUNCIL
D. T. E. 05-27

Date: July 11, 2005

Responsible: Stephen H. Bryant, President

BULK ATTACHMENT

MOC-4-5 With regard to the five separate services offered by the Company's EP&S division, please provide the following information:

- (a) copies of applicable tariffs;
- (b) for the years 2002 to 2005 (to date) the number of customers for each service;
- (c) for the years 2002 to 2005 (to date) the number of customer complaints received concerning each service. Please describe the notice of each complaint and the ultimate resolution;
- (d) for the years 2002 to 2005 (to date) the number of contractor complaints received concerning each service. Please describe the nature of each complaint and the ultimate resolution.

Response:

- (a) There are no applicable tariffs concerning the five separate services offered by EP&S.
- (b) The number of customers for the five services are presented in MOC-04-05 (a).
- (c) The Company maintained no log of complaints from 2002 through September 2004. The Company began logging complaints for Guardian Care and Rentals in October 2004. From October 2004 through June 23, there have been 41 complaints related to Guardian Care, 23 related to Rental Water Heaters, 3 related to Rental Conversion Burners, and 6 for unspecified rentals. Copies of the complaints and resolution are attached as Attachment MOC-04-05 (b).
- (d) The Company has maintained a log of contractor complaints regarding the Standards of Conduct since July 1998. There are no complaints listed from 1998 through 1992, or for 1995. Complaints from 1993 are listed in Attachment MOC-04-05 (c). Complaints from 1994 are listed in Attachment MOC-04-05 (d).

Number of Customers

	2002	2003	2004	2005 Ytd May
Furnace, Boiler and WH Installs	1,312	1,238	1,389	513
Fee For Service	12,757	8,610	6,688	3,384
Annual Inspections	10,804	6,758	11,039	2,288
Guardian Care Contracts	43,315	45,867	48,537	48,856
Water Heater Rentals	36,652	35,969	35,000	34,443

ATTACHMENT MOC-04-05 (c)

**BAY STATE GAS COMPANY
DISPUTE RESOLUTION LOG
For Calendar Year 2003**

Date of Dispute	Initiator	Description of Dispute	Mediator	Resolution
A) Feb. 7, 2003	John Cusick 12 Waterman Avenue Marshfield, MA 02050	Complainant made a series of complaints to the Company regarding its service business and contractor referral process.	E. Van Loon (JAMS/Endispute)	While these complaints were initiated under 220 CMR 12.00, Bay State's service business is fully integrated in the utility and therefore not an affiliate. It is not subject to the dispute resolution measures set out in 220 CMR 12.00 et seq. Nevertheless, a mutually agreeable resolution was achieved through mediation on 5/14/03 (Settlement Agreement attached)
B) Aug. 22 & Aug. 26, 2003	Same as above	Complainant made a complaint regarding how the Company describes various independent contractors in Company publications and Company's compliance with 5/03 Settlement Agreement.	Same as above	The Company on 8/26/03 and Mediator on 9/16/03, provided written responses to complainant. Mediator concurred with Company position regarding "independent contractor" language and viewed Company's actions as not inconsistent with Settlement Agreement.

**BAY STATE GAS COMPANY
DISPUTE RESOLUTION LOG
For Calendar Year 2004**

Date of Dispute	Initiator	Description of Dispute	Mediator	Resolution
A) Feb. 17, 2004 thru April 12, 2004	John Cusick 12 Waterman Avenue Marshfield, MA 02050	Complainant made a series of complaints regarding Company's compliance with 5/03 Settlement Agreement; contractor referral process; advertising of Company's service offerings with customer bills; Company literature regarding various types of independent contractors; applicability of Standards of Conduct Regulations (220 C.M.R. 12.00); and application of Dispute Resolution Procedure (220 C.M.R. 12.03 (18) and Company's actions thereunder.	E. Van Loon (JAMS/Endispute)	<p>While these complaints were initiated under 220 CMR 12.00, Bay State's service business is fully integrated in the utility and therefore not an affiliate. It is not subject to the dispute resolution measures set out in 220 CMR 12.00 et seq.</p> <p>Nevertheless, through a series of letters, the Company responded to the complaints. Moreover, these complaints were the subject of a mediation held on April 20, 2004. Complainant and the Company reached a tentative mediated resolution on April 20th. The Company ultimately accepted the resolution recommended by the Mediator, the Complainant did not. While the Company's service business activities are not jurisdictional to the 220 C.M.R. 12.00 regulations, the Company did voluntarily comply with the Mediator's recommended resolution of these matters (Report and Decision of Mediator attached)</p>
B) April 8, 2004	John Cusick 12 Waterman Avenue Marshfield, MA 02050 <u>Re:</u> Towne & Country Plumbing & Heating	Complainant complained about Company's placement of Company service stickers on customer appliances, asserting a violation of 220 CMR 12.00.	N/A	<p>While this complaint was initiated under 220 CMR 12.00, Bay State's service business is fully integrated in the utility and therefore not an affiliate. It is not subject to the dispute resolution measures set out in 220 CMR 12.00 et seq.</p> <p>Nevertheless, Company responded by letter dated April 13, 2004 that Company policy is and has been for several years</p>

Date of Dispute	Initiator	Description of Dispute	Mediator	Resolution
				not to affix stickers to customer appliances.
C) April 2004	Shelia Shea Donovan 692 Ocean Street Box 111 Brant Rock, MA 02020	Letter to DTE from Complainant (copy forwarded to Company) regarding placement of stickers on customer appliances, inferring a violation of 220 CMR 12.00.	N/A	<p>While this complaint was apparently initiated under 220 CMR 12.00, Bay State's service business is fully integrated in the utility and therefore not an affiliate. Moreover, the Company is not subject to the dispute resolution measures set out in 220 CMR 12.00 et seq. with regard to complaints about its integrated service business.</p> <p>Nevertheless, Company responded to Complainant by letter dated April 13, 2004 (with copy to DTE) advising that it is and has been the Company's policy for several years not to place service stickers on customer owned appliances.</p>
D) July 22, 2004	John Cusick 12 Waterman Avenue Marshfield, MA 02050	Complainant, through the Massachusetts Department of Telecommunication and Energy (DTE), complained regarding taped message on Company's 1-877-427-4748 ("4748#") phone line.	N/A	<p>In response to the complaint, the Company placed the taped message regarding the availability of contractors to perform service work as <u>both</u> an "upfront message" (prior to hearing menu options on the Company's 4748# line) and as one of a series of messages when a caller was placed on hold. The Company informed the DTE of its actions. (Bay State's service business is fully integrated in the utility and therefore not an affiliate. It is not jurisdictional to 220 CMR 12.00, nor subject to the dispute resolution measures therein.)</p>

Date of Dispute	Initiator	Description of Dispute	Mediator	Resolution
E) August 5, 2004	John Cusick 12 Waterman Avenue Marshfield, MA 02050	Complainant, through the office of Massachusetts State Representative Frank Hynes, complained regarding taped message on Company's 4748#.	N/A	During August, the Company verbally responded to Representative's office informing State Representative's office that the Company was placing the taped message regarding the availability of contractors to perform service work as <u>both</u> an "upfront message" (prior to hearing menu options on the Company's 4748#) and as one of a series of messages when a caller was placed on hold. Also referred Representative's office to the DTE as this is the same issue raised by the Complainant with the DTE in July. (Bay State's service business is fully integrated in the utility and therefore not an affiliate. It is not jurisdictional to 220 CMR 12.00, nor subject to the dispute resolution measures therein.)
F) August 26, 2004	Donald Ronan/Abell One Hour Heating & Air Conditioning P.O. Box 446 No. Situate, MA 02060	Initiator questioned as a generally matter, the legality of the Company's ability to be in the service business based upon the existence of the "utility deregulation act". Initiator inferred a violation of 220 CMR 12.00.	N/A	While the purported basis for this complaint was 220 CMR 12.00, Bay State's service business is fully integrated in the utility and therefore not an affiliate. It is not jurisdictional to 220 CMR 12.00, nor subject to the dispute resolution measures therein. Nevertheless, the Company responded by letter dated September 30 informing Initiator that the manner in which the Company conducts its service business is consistent with Massachusetts law.
G) September 9,	John Cusick	Complainant, through State Representative	N/A	The Company verbally responded to State

Date of Dispute	Initiator	Description of Dispute	Mediator	Resolution
2004	12 Waterman Avenue Marshfield, MA 02050	Hynes' office, complained seeking audio tape copies or text versions of various recorded messages on Company phone lines.		Representative Hynes' Office that this matter was jurisdictional to the DTE. (Bay State's service business is fully integrated in the utility and therefore not an affiliate. It is not jurisdictional to 220 CMR 12.00, nor subject to the dispute resolution measures therein.)
H) October 28, 2004	John Cusick 12 Waterman Avenue Marshfield, MA 02050	Through the DTE, Complainant asserted a violation of 220 CMR 12.00 regarding the proprietary of service business ads included with customer bills.	N/A	<p>Even though the purported basis for this complaint was 220 CMR 12.00, Bay State's service business is fully integrated in the utility and therefore not an affiliate. It is not jurisdictional to 220 CMR 12.00, nor subject to the dispute resolution measures therein.</p> <p>Nevertheless, on November 9, the Company verbally responded to DTE confirming that its integrated service business promotions were in compliance with the DTE's requirements.</p>